Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	))	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing a Unified Intercarrier Compensation Regime	))	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
Universal Service Reform—Mobility Fund	)	WT Docket No. 10-208

COMMENTS OF FRONTIER COMMUNICATIONS CORPORATION

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SUMMARY

The *FNPRM*'s efforts to decide the appropriate reforms for intercarrier compensation elements not addressed in the *Report and Order*, including originating access; transport and termination; and transit, are premature. Frontier – a provider directly and immediately affected by the reforms imposed by the Report and Order – cannot yet assess the complete effect that the current ICC reforms will have upon it, particularly at a time when many of the reforms are not yet in place and the Commission has also significantly revamped the Universal Service Fund. The Commission should pause for at least 12 months and take the time to carefully study and evaluate the effects that the *Report and Order*'s reforms have upon the industry and consumers before taking further action.

Frontier opposes any actions that would reduce its ability to support its network. The Commission should not adopt a defined sunset date for the Access Recovery Charges ("ARC"). As an end-user charge, the ARC is exactly the type of support that the Commission encourages under its bill and keep methodology. For the same reasons, the Commission should not consider modifying or eliminate Subscriber Line Charges, nor should it impose additional regulations on the manner in which they are advertised. In fact, the Commission should consider further methods of deregulation for ILECs as they are no longer the majority voice provider for American homes. The Commission should also not eliminate CAF intercarrier compensation support based upon the unrelated support an ILEC receives under CAF Phase II.

The Commission should be mindful that converting from a TDM-based network to an IP network is an expensive proposition that will take some time to accomplish. This is particularly true in the case of a primarily-rural carrier like Frontier for which it is estimated that full conversion to IP would cost in the hundreds of millions of dollars. While the Commission should continue to pursue a goal of conversion to all IP-networks, it should not take actions that would effectively mandate such networks. Nor should the Commission single out ILECs for increased regulatory obligations.

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INTERCARRIER COMPENSATION COMMENTS OF FRONTIER COMMUNICATIONS CORPORATION

I. INTRODUCTION

Frontier Communications Corporation ("Frontier") hereby submits the following comments in response to the Federal Communications Commission's ("Commission" or "FCC") request for comment on its *Further Notice of Proposed Rulemaking* addressing intercarrier compensation ("ICC") reforms.[1]

[1] *In re*: Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform—Mobility Fund, WC Dkt. Nos. 10-90, 07-135, 05-337, 03-109; GN Dkt. No. 09-51; CC Dkt. Nos. 01-92, 96-45, WT Dkt. No. 10-208, *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161 (rel. Nov. 18, 2011) ("*Report and Order*" or "*FNPRM*" respectively). Frontier also submitted comments in the above-

Frontier, which operates a telecommunications network across 27 states, is the largest provider of communications services focused on rural America. Accordingly, Frontier is committed to doing its part to meet the Commission's broadband deployment goals in its territories.[2] Frontier is investing hundreds of millions of dollars to deploy broadband in predominantly rural areas; areas that the Commission has found are most likely to lack broadband service.[3] Frontier is able to make such significant investment in rural broadband due to a financial framework that combines sound business decisions, shareholder support, payments from other carriers utilizing our infrastructure (i.e., ICC), and indirectly, USF support.

While the *Report and Order* makes significant changes to the terminating access regime through which Frontier is compensated for the use of its network, Frontier continues to believe in the value of its network as deployed and with future upgrades. Frontier offers these comments to emphasize that proper payment for use of its facilities is a cornerstone to its network's sustainability. The Commission should ensure this sustainability through a reasoned process that takes into account the effects of existing reforms and carefully examines any proposed reforms in the context of their effect on the competitive market and the consumer.

II. THE COMMISSION SHOULD FULLY EVALUATE THE EFFECTS OF ITS TERMINATING ACCESS TRANSITION BEFORE DECIDING THE APPROPRIATE FRAMEWORK FOR FUTURE ICC REFORMS

captioned dockets in response to the *FNPRM* addressing the Commission's continued reform proposals to the Universal Service Fund ("USF").

[2] *Id.* at ¶ 51 ("All Americans in all parts of the nation, including those in rural, insular, and high-cost areas, should have access to affordable modern communications networks capable of supporting the necessary applications that empower them to learn, work, create, and innovate.").

[3] *In re*: Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act; A National Broadband Plan for Our Future, GN Docket Nos. 10-159; 09-51, *Sixth Broadband Deployment Report*, FCC 10-129 at ¶ 28 (rel. July 20, 2010) ("*Sixth Broadband Deployment Report*") ("Based on our analysis, we conclude that broadband is not being deployed to all Americans in a reasonable and timely fashion. Our analysis shows . . . approximately 14 to 24 million Americans do not have access to broadband today. [This] group appears to be disproportionately lower-income Americans and Americans who live in rural areas.").

The *FNPRM*'s efforts to decide the appropriate reforms for intercarrier compensation elements not addressed in the *Report and Order*, including originating access;[4] transport and termination;[5] and transit,[6] are premature. The changes to the terminating access framework that the *Report and Order* effectuates were a decade in the making and affect all segments of the communications industry, though the actual effects of these changes remain unknown. Indeed, the majority of the changes that affect terminating access, including the transition to bill and keep as the end-state methodology, have not yet begun.[7] As a result, the Commission cannot properly evaluate the impacts of the *Report and Order*'s reforms on carrier revenues, consumer benefits, and the transition to IP networks; this evaluation is a necessary precursor to any future ICC reforms.

Furthermore, Frontier – a provider directly and immediately affected by the reforms imposed by the Report and Order – cannot yet assess the complete effect that the current ICC reforms will have upon it, particularly at a time when the Commission has also significantly revamped the Universal Service Fund. The reforms that the Commission undertakes in its *Report & Order* are far-reaching and may have a significant impact on Frontier and its rural customers. Funds received from USF and ICC have accounted for approximately nine percent of Frontier's total revenues annually[8] —revenues that have gone towards its significant broadband investment. Frontier is committed to investing in America's future by deploying broadband with download

[4] *FNPRM* at ¶¶ 1298-1305.

[5] *Id.* at ¶¶ 1306-10.

[6] *Id.* at ¶¶ 1311-14.

[7] *See Report and Order* at ¶ 801 (establishing July 1, 2012, as the beginning of the terminating intercarrier compensation transition for all affected elements, which were only capped as of the effective date of the *Report and Order*).

[8] *See* Frontier Communications Corp., Annual Report (Form 10-K), at 21-22 (Feb. 23, 2012).

speeds of at least 4 Mbps to 85 percent of the territories it acquired from Verizon (4.8 million access lines across 14 states) by 2015.[9] Frontier's commitment to rural broadband holds strong, but plans for additional deployment will be decided only when the effects of current reform are fully understood. The impact of those reforms on potential revenue will, accordingly, affect the amount of capital available for continuing broadband deployment.

The access recovery baseline for revenues lost due to the terminating access transition to bill and keep is a fundamental example of an unknown, yet critical, effect of ICC reform on Frontier. The *Report and Order* provides that "the Price Cap baseline for price cap incumbent LECs' recovery will be the total switched access revenues that: (1) are being reduced as part of reform adopted today; (2) are billed for service provided in FY2011; and (3) for which payment has been received by March 31, 2012."[10] The calculation of the baseline for recovery is a crucial element of the overall terminating access transition for Frontier, as the *Report and Order* uses that as the starting point for total access recovery over the next six years. If the Commission's formula for the baseline remains in place,[11] Frontier cannot yet determine if the baseline creates an accurate starting point for the transition. For example, considering the third requirement of the calculation, should carriers engage in unscrupulous activities such as withholding switched

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[9] *See in re:* Applications Filed by Frontier Communications Corporation and Verizon Communications Inc. for Assignment or Transfer of Control, WC Docket No. 09-95, *Memorandum Opinion and Order*, 25 FCC Rcd. 5972 at App. C (rel. May 21, 2010) (*Frontier-Verizon Acquisition Order*). Frontier completed its transaction with Verizon on July 1, 2010. Upon acquiring Verizon's wireline services in 14 states, Frontier's newly-acquired territories had only 62 percent broadband coverage, in contrast to a 92 percent broadband deployment rate in Frontier's legacy territory. The 92 percent broadband deployment in Frontier legacy territory was achieved in high-cost, low density areas, demonstrating Frontier's past and continued commitment to broadband deployment. *Id.* at 50.

[10] *Report and Order* at ¶ 880.

[11] We note that this issue is a current subject for reconsideration by the Commission. Frontier agrees with the United States Telecom Association that the Commission should reconsider this aspect of the *Report and Order* and the baseline should be based upon billed, not collected revenues, due to the uncertainty in the collection of those revenues. United States Telecom Association, WC Dkt. No. 10-90 *et al.*, Petition for Reconsideration (filed Dec. 29, 2012). The fact that such a crucial issue remains under reconsideration further proves the point that any consideration of additional reforms is premature.

access payments until after March 31 to create an ongoing competitive disadvantage for Frontier,[12] this information will not become apparent until after the March 31 date, which is after the close of the comment cycle. Accordingly, Frontier cannot currently assess the effectiveness of such a formula, nor use lessons learned to offer improved processes for transitioning other rate elements to bill and keep. It is therefore entirely premature for Frontier to answer questions such as, "what, if any, recovery would be appropriate for originating access charges and how such recovery should be implemented"[13] when it remains unclear how the terminating access recovery will be fully implemented.

The *Report and Order* allows for companies to recover a percentage of their reductions from the terminating access transition, using the baseline formula discussed above, from their end-users through an access recovery charge ("ARC"). Companies will need to determine where and how it may best pass through this charge while being aware of competitive pressures. The first ARC increase is not scheduled to go into effect until July 1, 2012. It will be a period of time before companies understand the impact this charge may have on their ability to retain customers and the overall impact on revenue. Any further reduction to switched access rates prior to understanding the impacts of the ARC on customers and companies is premature.

We note that the Report and Order's current ICC reforms do not exist in vacuum; the ICC reforms are implemented along with other reforms in the *Report and Order* to create potentially significant total long-term revenue impacts for Frontier. How the current reforms collectively play out will inform Frontier's view of future changes to ICC. For example, the Commission implemented rules designed to eliminate "phantom traffic," the arbitrage scheme that the

[12] *See* Reply Comments of United States Telecom Association, WC Dkt. No. 10-90 *et al*., at 5-8 (filed Feb. 21, 2012).

[13] *FNPRM* at ¶ 1301.

Commission noted "costs carriers—and ultimately consumers—potentially hundreds of millions of dollars annually."[14] Frontier is on record stating that approximately five-to-eight percent of its traffic is "phantom traffic,"[15] which has unjustly deprived Frontier of millions of dollars in payments. The Commission's call signaling rules to prevent phantom traffic went into effect on December 29, 2011, but as of the date of these comments Frontier is just beginning to receive and analyze the data necessary to determine if the new rules had any type of impact in the access revenue Frontier has been able to properly bill. Yet even if the January 2012 data were fully accessible for analysis now, that data cannot necessarily be relied on because the rules may change for some providers as the Commission considers various petitions for waiver of the call signaling rules.[16] While Frontier does not imply that any of the companies that have filed for waiver of the call signaling rules are bad actors, the fact remains that the three existing petitions filed vary in scope and could have varying impacts upon Frontier's ability to properly jurisdictionalize and appropriately bill for the traffic. In sum, the effectiveness of the Commission's phantom traffic arbitrage solution will affect Frontier's views on future arbitrage reform. To the extent the Commission already seeks comment on resolving other areas of arbitrage,[17] Frontier cannot do more than speculate on the effectiveness of additional reform.

In transitioning terminating access rates to bill and keep the Commission has fundamentally reformed the intercarrier compensation process. While work remains to be done to reform remaining elements such as originating access, dedicated transport, etc., at this time, the

[14] *Report and Order* at ¶ 703.

[15] *See* Letter from Michael D. Saperstein, Jr., Frontier Communications, to Marlene H. Dortch, FCC, WC Dkt. No. 09-51 *et al.*, (filed Dec. 21, 2010).

[16] *See* AT&T Inc., Petition for Limited Waiver, WC Dkt. Nos. 10-90 et al. (filed Dec. 29, 2011); CenturyLink Inc., Petition for Limited Waiver, WC Dkt. Nos. 10-90 et al. (filed Jan. 23, 2012); Verizon, Petition for Limited Waiver, WC Dkt. Nos. 10-90 et al. (filed Feb. 10, 2012).

[17] *See, e.g., FNPRM* at ¶¶ 1299, 1325.

Commission has the rare opportunity to learn by observing the effect of the newly implemented rules on the industry and consumers. The Commission should pause for at least 12 months and take the time to carefully study and evaluate the effects that the *Report and Order*'s reforms have upon the industry and consumers before taking further action. The education of lessons learned through the current reform process would greatly improve the decision-making process for future ICC reforms because the Commission would have firsthand knowledge of whether its predictions for setting the industry on a transitional path have transpired as intended. Instead of devoting the Commission's currently scarce resources to developing another transition period, the Commission would be better off utilizing its resources to ensure the current transition goes as planned and then building its subsequent transitions upon those experiences with at least a year of data to use as a guidepost. Such an approach would be in keeping with the Commission's goal of promoting a data-driven reform process.[18]

III. THE COMMISSION SHOULD NOT IMPLEMENT CHANGES THAT WOULD PREVENT ACCESS RECOVERY NECESSARY TO ENSURE THE SUSTAINABILITY OF ILEC NETWORKS

A. The Commission Should Not Define an ARC Sunset Date

The Commission should not "adopt a defined sunset date"[19] for the Access Recovery Charges ("ARC"). The Commission correctly notes that the ARC is tied to a carrier's Eligible Recovery,[20] and accordingly the ARC phase down "will take some time, however, under the ten

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[18] *In re*: Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up, WC Dkt. Nos. 10-90, *et al.*, *Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking*, FCC 11-13 at ¶ 536 (rel. Feb. 9, 2011) ("[W]e emphasize that the Commission intends to use a data-driven process to analyze the proposed reforms.").

[19] *FNPRM* at ¶ 1327.

[20] *See Report and Order* at ¶ 851.

percent annual reductions in Price Cap Eligible Recovery."[21] Given that the Commission acknowledges that the losses that Price Cap carriers will incur as a result of the transition will endure, Frontier questions why the Commission would sever these carriers' ability to actually recover those losses. While it is true that "by contrast, . . . intercarrier compensation-replacement [Connect America Fund] support for price cap carriers is subject to a defined sunset date,"[22] this should have no bearing on the ARC charges. CAF support is derived from a subsidy paid for by all users nationwide while the ARC is applied on the price cap carrier's specific end-users. The Commission states that "[u]nder bill-and-keep, carriers look first to their subscribers to cover the costs of the network, then to explicit universal service support where necessary,"[23] because subsidies are in tension with the Commission's goals for ICC reform.[24] While a sunset date for CAF support fits within this framework, the ARC is the logical counterbalance to effectively remove the burden on subsidies through the use of end-user charges. Carriers should be allowed to continue their ARC charges in order to sustain the network once the CAF subsidies are removed.

Further, adopting a predetermined end point for ARC charges is nonsensical because the Commission does not believe that these charges will compensate for lost terminating access revenues in the first place. While a carrier is permitted to include a limited ARC on customers' bills, the Commission "expect[s] that not all carriers will elect or be able to charge the ARC due in part to competitive pressures, and [the Commission] therefore predict[s] the average actual increase across all consumers to be approximately $0.10-$0.15 a year." By adopting a sunset

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[21] *FNPRM* at ¶ 1327.

[22] *Id.*

[23] *Report and Order* at ¶ 34.

[24] *Id.* at ¶ 648.

date for ARC charges the Commission would be denying carriers the opportunity to recover its lost revenues even through the type of explicit charges it has determined are appropriate for a bill and keep model devoid of subsidies.

B. The Commission Should Not Modify CAF ICC Support Based Upon Receipt of Phase II CAF

The receipt of Phase II CAF support should have no bearing upon a carrier's receipt of CAF ICC support.[25] As an initial matter, Phase II CAF (which has not yet been fully developed) is designed to provide subsidies for explicit broadband deployment commitments in high cost areas lacking competition where the business case to deploy broadband would not otherwise exist without subsidy. In contrast, CAF ICC support, which is already limited in duration, is designed to provide stability during the transition away from the implicit subsidies of terminating access charges that carriers have used to fund their entire networks. While ICC revenues have indirectly allowed Frontier to deploy broadband, they directly support Frontier's overall network maintenance. If CAF Phase II is truly based upon a forward-looking model that determines the cost of provisioning broadband at specific levels in targeted high-cost areas, then all funds received from CAF Phase II are necessary to provide broadband to those areas; there is no other way to compensate for the overall network support that ICC revenues currently provide. Further, the CAF ICC support is already targeted towards promoting upgrades to support broadband through the entire network. Simply put, the funds serve two very different non-duplicative purposes and receipt of one type of funding should not affect receipt of the other, particularly when both are necessary to achieve the Commission's broadband goals.

C. The Commission Should Not Alter its Subscriber Line Charge Rules if Voice Services Remain Regulated

[25] *FNPRM* at ¶ 1328.

The Commission should leave its existing Subscriber Line Charge ("SLC") methodology in place so long as voice services continue to be regulated. As discussed above, one of the Commission's goals in adopting a bill and keep methodology was to rationalize network support by eliminating implicit subsidies in favor of explicit charges to end users.[26] SLCs, as end-user charges designed to support the network, are perfectly aligned with this goal, thus it would be illogical to remove this element of explicit support. Further, for a carrier serving high-cost rural areas like Frontier, SLCs remain a necessary component to support the voice network, particularly with the phase-out of traditional universal service support. It would be unfair for the Commission to impose cost-recovery limitations on ILECs while similarly maintaining that the ILECs are subject to carrier of last resort obligations[27] that add significant costs of service when the ILEC's total ability to charge for its services are also limited through rate regulation.

To the extent that the Commission is considering "what the appropriate role is for regulated end-user charges for voice service over the longer term" and "whether, longer term, . . . [SLC] charges should be eliminated,"[28] Frontier encourages the Commission to reevaluate the necessity for regulation of a single, non-dominant section of the industry. Recent research based on the Commission's own data confirms that "the share of households nationwide for which an ILEC provides at least a primary voice line was approximately 45 percent at the end of 2010, 43 percent with a switched ILEC retail service and two percent with an ILEC Voice over Internet Protocol (VoIP) retail service,"[29] which means that, "even if one were to include ILEC

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[26] *See supra,* at 8. ("Under bill-and-keep, carriers look first to their subscribers to cover the costs of the network, then to explicit universal service support where necessary.") *Report and Order* at ¶ 34.

[27] *Report and Order* at ¶ 15.

[28] *FNPRM* at ¶ 1330.

[29] Patrick Brogan, UNITED STATES TELECOM ASSOCIATION, COMPETITIVE MARKET FOR VOICE SERVICES NO MORE REGULATION NEEDED, 1, *available at* http://www.ustelecom.org/sites/default/files/documents/010512-ResearchBrief-Competition-Research-Brief-Final.pdf.

interconnected VoIP and resold ILEC lines in the calculation, total ILEC wireline retail and wholesale voice connections account for less than half of telephone households."[30] Continuing to regulate ILECs as though they were a monopoly when they serve less than half of the households puts ILECs at a competitive disadvantage. A case in point is that the Commission seeks comment on how ILECs must advertise their rates to include SLCs.[31] None of the ILECs' competitors, such as cable or wireless voice service providers, are subject to such regulations that, at a minimum, would impose significant compliance costs just to change existing marketing and promotion. Not only should the Commission not enact advertising requirements for ILECs, it should reevaluate the necessity of ILEC-specific regulation at all.

IV. THE COMMISSION SHOULD REFRAIN FROM IMPOSING COSTLY IP-IP INTERCONNECTION RESPONSIBILITIES ON ILECS

Through its elimination of the terminating access regime, the Commission is pushing providers to move to all IP-networks by reducing compensation for TDM service.[32] The Commission should be mindful, however, that converting from a TDM-based network to an IP network is an expensive proposition that will take some time to accomplish. This is particularly true in the case of a primarily-rural carrier like Frontier for which it is estimated that full conversion to IP would cost in the hundreds of millions of dollars. Accordingly, while the Commission should continue to pursue a goal of conversion to all IP-networks, it should not take actions that would effectively mandate such networks. Nor should the Commission single out ILECs for increased regulatory obligations.

[30] *Id.*

[31] *FNPRM* at ¶ 1334.

[32] *Id.* at ¶ 1340.

Frontier shares the concerns of other ILECs that "whatever their historical marketplace position with respect to voice telephone services, [ILECs'] position with respect to IP services does not position them to use interconnection to disadvantage other providers, and does not warrant singling out incumbent LECs for application of legacy interconnection requirements."[33] Frontier is particularly concerned that, because of the existing legal framework, the Commission is targeting ILECs and not ILEC competitors for this type of regulation. For example, the Commission states that it could "adopt differing standards for particular subsets of carriers such as terminating carriers, incumbent LECs, or carriers that may have market power in the provision of voice services."[34] And while the Commission notes that "the good faith negotiations under the Order are expected of all carriers, not just incumbent LECs,"[35] the Commission considers establishing its IP-IP requirements under section 251(c) because it has "already adopted guidance for evaluating claimed breaches of good faith negotiations" under this provision. The limitation to the 251(c) legal framework is that "[u]nder the terms of section 251(c), [the Commission] believes that the obligations . . . apply only to incumbent LECs, and thus under the terms of the statute the associated duty to negotiate interconnection in good faith . . . only would apply to incumbent LECs and requesting carriers seeking interconnection with them."[36] If the Commission proceeds with IP-interconnection regulation under this authority, such regulation would further distort the competitive marketplace.

It is also critical that any IP-interconnection requirements that the Commission may adopt do not mandate the immediate conversion to IP-based networks, as some providers have

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[33] *Id.* at ¶ 1339.

[34] *Id.* at ¶ 1348.

[35] *Id.* at ¶1353.

[36] *Id.*

requested. For example tw telecom filed a petition with the Commission in 2011 seeking a declaration that tw telecom has the right to direct IP-IP interconnection in order to transmit and route its voice service.[37] Following the tw telecom logic, the ILEC would be mandated to provide IP interconnection regardless of whether the ILEC even has an IP-based network in place because it is technologically feasible to have an IP-based network. While Frontier is investing significantly to bring broadband to rural America, it still relies heavily on TDM networks to provide voice service to many of its customers. The Commission must consider the economic burden of such a mandate—Frontier and other ILECs cannot bear the costly burden of such a dramatic reengineering of the network just to facilitate requests from competitive carriers.

For similar reasons, the Commission should not adopt the proposal that, "if a carrier that has deployed an IP network receives a request to interconnect in IP, but, chooses to require TDM interconnection, [then the Commission would] require that the costs of the conversion from IP to TDM be borne by the carrier that elected TDM interconnection."[38] The reason that this proposal should be rejected is that it fails to fully define what constitutes an IP network and thus could lead to the imposition of unfair cost burdens. For example, if an ILEC has a soft switch in place to serve some of its customers on a given switch while a significant number of its customers continue to be served on the PSTN, a TDM conversion would remain necessary for those customers and the ILEC should not have to bear the costs of this conversion simply because it has not yet converted that significant portion of its network to an IP-based platform. This would go beyond the requirement for a good-faith negotiation where the IP-network is in place to the

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[37] *In re*: Petition for Declaratory Ruling that tw telecom, inc., has the Right to Direct IP-to-IP Interconnection Pursuant to Section 251(c)(2) of the Communications Act, as Amended, for the Transmission and Routing of tw telecom's Facilities-Based VoIP Services and IP-in-the-Middle Voice Services, WC Dkt. No. 11-119, *Public Notice*, DA 11-1198 (rel. July 15, 2011).

[38] *FNPRM at* ¶ 1361.

imposition of costs as a penalty for not having yet deployed IP ubiquitously in an area, despite the often high costs of doing so. This could have the effect of slowing the transition to IP technology in networks that the Commission looked to create incentive to do in its Order. The Commission should avoid taking any such action that would target the costs of network conversion and the interconnection negotiation responsibilities upon ILECs.

V. CONCLUSION

For the foregoing reasons Frontier respectfully requests the Commission to adopt any future ICC reforms after a full evaluation of the impacts of its currently scheduled reforms and also consideration of the effect of additional regulation on the competitive marketplace.

Respectfully submitted,

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